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ECONOMIC INTELLIGENCE COMMITTEE

21 September 1954

MEMORANDUM FOR: Mr. Abbot Smith, ONE

SUBJECT : Recommended Revision of Paragraphs from NIE-11-6-54

1. In accordance with your request, representatives of the Service agencies and of CIA met on Monday afternoon, 20 September, in a special meeting of the EIC Subcommittee on Electronics and Telecommunications, and agreed to the attached proposed revision of paragraphs 69 and 70 of the 7 September 1954 draft of NIE 11-6-54. I have been informed that the SEC Subcommittee on Guided Missiles has also agreed to the enclosed redraft.

2. This meeting was attended by the Executive Secretary of EIC, Dr. Omar Pancoast, who assisted in the redrafting. He has explained to me the change in approach, as compared with the former draft, as follows: The Chairman, Mr. McConnell of SCIA, and the Navy member detailed a number of individual reservations as to the specific examples given of Soviet production of items of electronic equipment which would be required for guided missiles production - but which also had, in every case, other uses. The subcommittee felt that to agree on the precise extent of qualification required for each example cited would be extremely difficult and misleading; since, actually, there is a tremendous range of such examples, but not one of these can be specifically connected with use in guided missiles production, other than experimental. It was unanimously felt that it was better to re-state the two paragraphs in more general terms and avoid involvement in single bits of detailed evidence.

3. Should you have any further questions as to the reasons for the subcommittee's alterations of these two paragraphs, Dr. Pancoast will be glad to tell you about the meeting in person. In accordance with your instructions, we have not taken the time to clear this draft with the Economic Intelligence Committee itself.

OTTO E. GUTHE
Chairman
Economic Intelligence Committee

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